

# Nord Stream 2 and the strategic balance of power

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## ABSTRACT

The pipeline project, Nord Stream 2 (NS2), has been an issue of controversies. Russia and Germany consider the project an economic contract, but the United-States and Eastern European countries have concerns about its geopolitical effects. These disputes have created a divide in Europe and have posed a threat to trans-Atlantic relations. The current research suggests NS2 can influence the strategic balance between great powers in the international system, giving energy leverage to Russia against United-States, and consequently to China by strengthening projects like the Belt and Road Initiative (BRI). Our findings put forward that not only NS2, in case of realization, is a source of American decline, but also the debates on the issue are a sign of American struggling for protecting its precarious international position. By placing Europe in front of the United-States, NS2 could be one component of European strategic autonomy (ESA); meanwhile, it may jeopardize ESA by depending on Europe on Russia. Europe's solution to gain ESA is to use its leverages such as normative one to manage the situation for outcomes like protecting Europe's unity and economic interests.

## 1. Introduction

The pipeline project, Nord Stream 2 (NS2), was initiated in 2015 by Gazprom and five partner companies from EU member states. They were going to build a second 9.5 billion Euro twin set of gas pipelines for delivering an additional 55 billion cubic meters of natural gas from Russia to Germany on the Baltic seabed (Fischer, *Lost in Regulation: The EU and Nord Stream 2*, 2017). The Zug (CH) based NS2 consortium, comprised of Russia's Gazprom (50% stake), Germany's Uniper (10%) and Wintershall (10%), UK's Royal Dutch Shell (10%), Austria's OMV (10%) and France's Engie (formerly GDF Suez, 10%) are responsible for project operation (Goldthau, 2016, p. 7).

Since 2015, the project has been controversial. At first, it was considered a good plan in the worst possible

timing. Ukraine's problem emphasized the geopolitical aspects of the project. Nevertheless, then the debate goes geopolitical, which shows the real symptoms of transition in the world order. In the context of international preoccupation with the American decline, supporters consider the importance of European strategic autonomy—opponents power politics.

Supporters of NS2 pipeline point out some reasons for such a project: the natural gas market is a liberal one so that no one can limit it; in current international gas trade Europe has a favorable position; building the pipeline would serve European energy security purposes by increasing direct links between producer and consumer (Fischer, *Nord Stream2: Trust in Europe*, 2016); it is a commercially Viable project; helps to lower gas prices in the EU; provide an alternative for out of date pipelines in Ukraine; ends the uncertainty of the

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Ukrainian transit route ( Sziklai, Kóczy, & Csercsik, 2020).

On the other side, opponents see the project as a source of further expansion of Gazprom's dominant position in the EU markets and a weakening of the current transit countries. In the eastern parts of the EU, there are also concerns that the project could negatively impact the region's own security of supply and have political repercussions in the form of a revitalization of German-Russian cooperation (Lang & Westphal, 2017). The opponents argue the project does not diversify the EU's energy supply; it undermines the economic sanctions towards Russia; it is incompatible with the Energy Union's strategic goals and with the Third Energy Package (Sziklai, Kóczy, & Csercsik, 2020).

Strangely enough, it is the Americans that have been loudest in their protest, and this resistance has only grown louder since Donald Trump took over in Washington (Rooks, 2019). They impose sanctions on the project, and most recently, PEESCA came in place as an iconic component which, shows Trump is not alone. The whole American system is against NS2. PEESCA is a bill in Congress that would expand the scope of sanctions on NS2- related activities, and that would probably threaten German federal officials. The statement is attached to the National Defense Authorization Act, like the original PEESA which, imposed the first United-States sanctions on NS2. PEESCA is likely to become law in several months (Hackenbroich, 2020).

Russia and Germany recognized NS2 American sanctions as a "use of political pressure for unfair competition, an indicator of the American system's weakness" (Sevastopulo, Foy, & Sheppard, 2020). For years, Merkel's Germany also repeated that NS2 is a "business project," suggesting that political intervention would be inappropriate. Nevertheless, Trump highlighted the inherent contradiction in Germany's position and expectation from the American military to defend their country. At the same time, it also made lucrative gas deals with Russia, the country from which it needs protection (Karnitschnig, 2020).

The childish stance of both sides in the Trump era is not surprising, but NS2 as the emergence of a whole, features of unneglectable changes in international affairs. Trans-Atlantic relations are nothing similar to an alliance. Russia is coming back powerfully to challenge the United-States in Europe. China is backing Moscow, waiting for its moment of hegemony. Moreover, Union-European divided into East and West. Nothing is about

energy, but the dynamic of power politics in international affairs.

Current research examines the NS2 pipeline to answer the central question: 'whether NS2 can influence the strategic balance between great powers in the international system?' The two sub-questions: 'whether and how much this project contribution to American decline?' and 'whether this project can realize European strategic autonomy?' The principal hypothesis is that NS2, with the condition of realization, would have the capacity of influencing on great powers in the world order transition era. The first sub-hypothesis puts forward the fact that the implementation of this project could be a component in American decline. The second sub-hypothesis proposes that the NS2 pipeline could contribute to European strategic autonomy.

This research organizes into three parts. The first part examines the NS2 effect on European Strategic Autonomy (ESA) due to the European tendency to bandwagoning the United-States and energy dependence on Russia. The deterioration of trans-Atlantic relations and the decline of the United-States expands in the second part. The last part evaluates NS2's likely effects on the strategic balance of power in the international system. The current research puts aside the tense debate about NS2. It examines the geopolitical and geo-economic depth of the subject, which sheds new light on the perceptions about becoming a new world order, international relations, and the global system.

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## 1. NS2: For or Against European Strategic Autonomy (ESA)

European strategic autonomy (ESA) is an issue with fatal consequences. Europe should maintain it for making sense of unity. In the geopolitical context, Europe has nothing more helpful than solidarity against any kind of outside invasion. Integration and ESA are the two sides of one coin. By the way, reaching unity is hard due to idea diversity on interest concerns. Even under the assumption of any presence of collective perception of interest, attaining ESA is difficult since it designates a kind of separation from other powers in the international system. At the same time, European states have a history of bandwagoning with West or East.

There is a classic dichotomy between territorial defense and crisis management missions; energy independence was a key criterion for ESA, particularly concerning Russia. The NS2 gas divided Europe and, critically, the franco-german relationship. Europe needs to think strategically about NS2 issues from different



points of view. It remains the question of whether ESA is the appropriate vehicle to address these challenges – because progress in this area is at least as dependent on the choice of the process as it is on political will. Indeed, Europeans still need to determine to whether the concept of ESA focuses purely on security and defense or on a more comprehensive foreign policy project for protecting their core interest (Franke & Varma, 2019, p. 10)

For Berlin, NS2 is a source of creating more space for ESA. In some points, opposition to NS2 makes no sense for United-States or Europe. Nevertheless, fears of Russian domination through gas sales ignore the experience of earlier pipeline projects. Nord Stream 1 did not diminish Germany's response to Russia's 2014 annexation of Crimea. The most bizarre aspect of the NS2 opposition, however, is its anti-German quality. The notion that the interests of Ukraine or Poland, with its increasingly nationalist politics, should take precedence over Germany's is hard to accept. Without German leadership, the EU will find it hard to remain committed to its founding values, including protecting Ukraine and Poland from Russian pressure. Undercutting Germany makes little strategic sense for either the EU or the United-States (Rumer, 2018).

All these perception problems become even more acute in the context of the Kerch Strait incident and European discussions about building up the ESA so it can act in the military, economy, and sanctions domains. Take Ukraine first. Russia has been enforcing sanctions on Ukraine since 2014. By slowly strangling its neighbor's goods exports through the Kerch Strait, Russia is not only hitting Russian-Ukrainian trade, but it is also running economic relations between eastern Ukraine and the EU (and between east Ukraine and the Middle East).

Consequently, as these extreme economic pressures on Ukraine escalate, NS2 would also cause Ukraine to lose 2bn euros annually in gas transit fees. Such issues also infect how EU member states see European solidarity and trans-Atlantic relation. Germany's insistence on NS2 is indeed undermining trust in it among other EU member states when it comes to other issues, such as sanctions on Iran, relations with the United-States, or efforts to build up a more strategically autonomous EU. So Germany might consider NS2 to be in its interest. It has the right to do so (Buras, Janning, & Liik, 2018). However, it is likely to cost it on plenty of other dossiers.

Even supposing Germany is protecting ESA in NS2 and diversifying the European energy sector, one can point on a Russian effort to protect "strategic companies" from external investigations, such as the European Commission's antitrust suit against Gazprom. Most of all, it has resurrected the specter of diverting Russian gas from Europe to Asia, encouraged by apparent breakthroughs in cooperation with China. Such methods reveal that the Kremlin's resource diplomacy is overladen by multiple strategic, security, political, and psychological layers; witness its reaction to the shale revolution (Lo, 2015, p. 113).

NS2 has political benefits of European gas market integration. The gas relationship with Russia became very divisive within the EU after the 2004 enlargement. Central and eastern EU member-states felt isolated from more diversified Western markets and dependent on gas from Russia, which, under President Vladimir Putin, appeared increasingly threatening. They viewed Western European gas companies that are significant clients and partners of Gazprom as betraying European solidarity. These tensions increased with the gas crisis of January 2006, the Georgian war of August 2008, and the gas crisis of January 2009 (Noël, 2019).

For Germany, natural gas could play an increasing role in the energy system following the coal exit decided in July 2020 by the German parliament (Holz & Kemfert, 2020). In defense of its policy, Berlin emphasizes the benefits of NS2: the pipeline project coopts with major European customers, giving them direct access to gas, make renegotiating take-or-pay agreements more flexible (Lo, 2015, p. 113). Besides, the EU can have trilateral talks with Ukraine and Russia on energy issues, including price and volumes. The EU continues to support Ukraine's energy sector reforms. Therefore, Berlin has decided not to bow to American sanctions (Hackenbroich & Leonard, 2019).

Germany and United-States, however, have been in a tense diplomatic dialogue over NS2. Berlin considers the sanction threats as interference in the sovereign right of European states to set energy policy, as "disrespecting Europe's right and sovereignty to decide where and how to source its energy"; and imposing rules on the European sovereignty and the rule of law by a third country. The dispute threatens to harm further trans-Atlantic economic ties already strained during the Trump administration (Reed & Jakes, 2020).

Diplomatic ties are also at stake. Berlin interprets United-States' ambassador approach equally mixing in his host country's affairs, annoying many German

businesses and, threatening German companies working on the pipeline. Also, other American ambassadors to Europe participate in the debate, insisting that NS2 will bring Russian leverage and influence, introduce a way of invasion into Europe, and further undermining Ukrainian sovereignty and stability” (Rooks, 2019). The United-States seeks to deter Russian gas expansion into Europe and limit competition in European markets. Trump made it clear that an increase in American LNG imports by European countries would undermine Russia’s monopoly of gas supplies and “make that continent less vulnerable to political blackmail” (Guliyev, 2020, p. 5).

Disagreements do not restrict to Trump. There is a unified, bipartisan, bicameral, and inter-branch consensus across the whole of the US government to ensure Putin’s pipeline never comes online (Sevastopulo, Foy, & Sheppard, 2020). The United-States tries to convince European countries. Some arguments are:

- Securing financing, while there are sanctions on Russian;
- Increasing Europe’s dependence on a single supplier (Russia);
- Controlling energy route by Russia;
- Undermining EU unity, as the project seeks to prefer some countries over others—amplifying Russia’s “divide and rule” approach to energy politics;
- Stifling opportunities for non-Russian companies to export liquefied natural gas (LNG) to the EU;
- Rising gas prices in Europe;
- Harming consumers and contradicting US and EU policy priorities;
- Discouraging the EU’s energy strategy (Assenova, 2018, pp. 1–3).

By mixing security and defense, Americans’ attitude becomes successful in getting other European countries in line with its preferable foreign policy. In the best scenario, Accepting NS2, Europe risks becoming a battleground for the conflict between Russia and the United States (Holz & Kemfert, 2020). What is lacking is strategic leadership and initiative from France and Germany to protect more openly NS2. They should politically underwrite the European gas solidarity by market integration, and take the lead in mediating between Russia and Ukraine. Such a strategic approach would require a willingness on the part of Paris and Berlin to antagonize Brussels, several EU members states, and – critically – Washington. Then and there,

they have to retain enough strategic autonomy to do it (Noël, 2019).

The European Union’s foreign policy chief, Josep Borrell, said he was “deeply concerned at the growing use of sanctions, or the threat of sanctions, by the United-States against European companies and interests.” (Reed & Jakes, 2020). Brussels caught in the middle. Although it first appeared the Commission would leave the matter to the countries in which the construction will take place, after vocal complaints by Poland, it asked all 28 EU member states to come to a unanimous agreement on a negotiating mandate with Russia (Keating, 2018).

Brussels’ submission to Washington severely damages the economy of the European Union, particularly in Germany. Due to the sanctions against Russia, exports from Germany declined by 18% in 2014 and 34% in the first two months of 2015. Nevertheless, the damage was much more severe than statistics could show, since the “first losses” were compounded by “secondary effects” that became much worse over time. The lack in predictability forced Siemens out of a large project; that Alstom lost a contract for the railway line between Moscow and Beijing; and that the potential for damage was more massive than the current accounts indicated, and not only for Germany but the entire European Union. Faced with the prospect of enormous losses, the German companies E.ON and BASF/Wintershall, along with the British-Dutch Royal Dutch Shell plc, the French ENGIE, and the Austrian OMV, disregarded the sanctions against Russia and maintained the project to build the NS2 (Bandeira, 2019, pp. 323–25).

Germany will have to comply with a decision by the European Parliament, affirming that offshore pipelines are subject to EU competition rules as they pass through EU territorial waters and exclusive economic zone. These competition rules seem to be the only EU mechanism to stop the project. The other is in the hands of the United-States administration, which could impose sanctions targeting the financing of the Russian pipeline. Washington will probably make that decision eventually, but it would be better for all allies if the EU takes matters into its own hands, as it did regarding the South Stream pipeline project (Dempsey, 2018).

This reality exists that the Expansion of NS2 will shift the power of the agents ( Sziklai, Kóczy, & Csercsi, 2019, p. 1). This shift would leave Ukraine in an extremely vulnerable position and expose it to further Russian aggression—threatening European security as well. NS2 has the potential to derail the EU’s standard





energy policy and free-market competition in the natural gas sector, cementing dependence on a single import source for an indefinite period, ultimately making a wide range of European decisions dependent on Russia. NS2 will mark the beginning of a new era of external dependence yet unknown to the Western part of the continent (Dempsey, 2018).

Central Asian gas supplies appear to offer Europe a means of diversification away from dependence on Russian gas. Moscow will build these pipelines to deter Western bypass projects and to price its gas to retain its European markets. Also, these efforts aim to counter China's rising gas demand and are an attempt to tighten the ties between Russia and its former republics. Russia will do it, even if the price Moscow has to pay to Central Asian rises in direct response to competition from China (Dellecker & Gomart, 2011, pp. 84–85).

Germany claims that NS2 is a purely economic project, but no one else sees it this way. Russia certainly sees it as a strategic project, as does Ukraine or Poland. Moreover, whether Germany wants it or not, NS2 will have vital implications for large swathes of central and Eastern Europe (Buras, Janning, & Liik, Nord Stream 2: ECFR opinions, 2018). The United-States, by any means, tends to prevent Russia from harming trans-Atlantic security and puts aside European strategic autonomy and even European interests. Germany, as a great agent in the EU's destiny, should attempt to form a European consent and unity with eastern and central Europe to defend European strategic autonomy and stop being manipulated in Russian-American battle for power.

## **2. Deterioration of Trans-Atlantic Relations and the Decline of United-States**

NS2 creates tension in trans-Atlantic relations lately. Washington blackmails Europeans to do what United-States wants, or their economy will suffer. By leveraging the power of the United-States dollar, Washington decides which countries and entities Germans do business with them. China will probably soon put into practice, too, leveraging its vast market. In other areas, the EU has been capable of defending itself reasonably well. When United-States President Trump threatened to put destructive tariffs on German car manufacturers, the EU responded with counter-tariffs and thereby spared BMW, Volkswagen, Daimler, and the related high costs. However, when it comes to sanctions, the EU cannot respond (Hackenbroich & Leonard, 2019). Disagreements with some of United-States European

allies counterproductively occurred at the time when the United-States is engaged in a trade war with China (Mikulska, 2019).

Trump administration divided Germany and Poland. Berlin and Warsaw think through NS2 differently, so that is their response to the challenge trump's presidency to Europe. Germany highlights the prerequisite to reinforce Europe's resilience and unity, and the Polish response has been to embrace the opportunities of the new political reality and enhance its bilateral partnership with the United-States. The European Union's defense integration and arms control policies will be at stake. So Warsaw and Germany should use NATO as a framework for strategic discussions about American military presence in this country. Germany should begin strategic and geopolitical debates on the issue. Instead of talking about "European sovereignty," Poland and Germany should join other member states in clearly defining the vulnerabilities that the EU as a whole must address (Buras & Janning, 2018). It also includes those vulnerabilities resulting from the United-States policy.

United-States' controversial stance on the subject is a way to save trans-Atlantic relations (Bieliszczuk, 2020). United-States' position is not picture-perfect if it wants to oppose the project entirely or negotiate about it. It seems United-States wants to advance American gas exports, punish Russia, and annoy Germany. Its other statements, Trump supports NS2 as an addition to, not replacement of, the Ukrainian pipeline. If NS2 gets canceled because of brutal pressure from the United States, then his will end badly for Europe. These events in case of realization would cause dramatic rifts among its members – not unlike those of 2003, but in a much more chaotic international and domestic context, and hence much more dangerous to the European project (Buras, Janning, & Liik, Nord Stream 2: ECFR opinions, 2018).

What is unacceptable for Europe is American sanctions on NS2, which is an illegal extraterritorial action against Europe. It is an intolerable burden on European companies that are participating in efforts to expand Europe's energy supply network, and cheating competitiveness for selling American liquefied natural gas and winning thousands of jobs (Siddi, 2019). European states call for European initiatives to protect EU companies, including greater use of the euro currency in international transactions and defending companies targeted by the sanctions (Bieliszczuk, 2020).

Imposing sanctions could make a gulf between trans-Atlantic allies. United-States and countries involved in

the NS2 project, including Germany, France, Italy, Austria, Netherlands, or Switzerland. They will divide the EU by deepening the differences between the EU countries on the pipeline and potentially insert more distrust relations between Europe's East and West (Mikulska, 2019). Trump has already added the Nord Stream issue into the U.S.–EU trade dispute. Nevertheless, the immediate insertion of the subject into this NATO summit, even before the actual summit begins, will significantly increase pressure on Germany to ditch the pipeline. Already, there is significant opposition to the pipeline within Germany. Chancellor Angela Merkel has shown signs that she is souring on the pipe (Keating, 2018). American excuse for sanctions introduces NS2 as a Russian tool that ultimately undermines trans-Atlantic security and is a critical threat to United-States' national security (Reed & Jakes, 2020).

In a broader context, not only trans-Atlantic relations, but also alliance structures in the world's critical strategic regions – Europe, the Middle East, and the Indo-Pacific – for a variety of reasons, is in flux. Many fear that the global order created by the United-States is fracturing, and the hegemon might retrench from its international engagements. In Europe, the future internal and external relations of both NATO and the European Union remain unclear. International institutions appear unable to adapt to the resurgent great-power competition. At the same time, rising and reviving powers across the world are vying to assert strategic self-determination for their regions (War, power, rules, 2020). In this context, the decline of the United-States is a determinant factor.

American “declinism” is not a new issue. From 1991 and even before that, the question has a significant impact on international politics (Prowse, 1992). McTague put the issue accurately in our time. Also, in previous moments of American vulnerability, Washington reigned supreme. Whatever moral or strategic challenge it faced, there was a sense that its political vibrancy matched its economic and military might, that its system and its rooted democratic culture could always regenerate it. It was as if the very idea of United-States mattered, an engine driving it on, whatever other glitches existed under the hood. Now, something appears to be changing. United-States seems mired; its very ability to rebound is in question. A new power has emerged on the world stage to challenge American supremacy—China—with a weapon the Soviet Union never possessed: mutually assured economic destruction.

McTague articulates that China, unlike the Soviet Union, can offer a measure of wealth, vibrancy, and

technological advancement—albeit not yet to the same level as the United States—while protected by a silk curtain of Western cultural and linguistic incomprehension. In contrast, United-States looks dysfunctional and, what made United-States great, apparently is no longer enough to prevent its decline. Europeans perceive Trump himself as an expression of American decline, inability adapting to the globalized world, and a sign of the United-States following other great powers downward (McTague, 2020).

NS2 is not just a pipeline project. In case of realization, it will be an American gift to Russia, which Moscow and even China will use as leverage against the West. American fear of changing world order due to the lack of self-confidence in the face of China has led to neglect strategic alliance with Europe. United States estimates that the ‘divide and rule’ approach or contradictory stance about NS2 can save trans-Atlantic relations. Nevertheless, before being too late, the western alliance should satisfy each other and reunited again. NS2 will be a victory for Russia and China, a symptom of American decline and falling apart trans-Atlantic relations, and in case of realization, the very component of American decline.

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### **3. NS2 and Strategic Balance of Power in the International System**

Since the collapse of the USSR, the new world order remained to debate. States are waiting for a fundamental change that occurs in the world hierarchy of power to name it as the new world order. In the state of transition, we witness the return of power politics in international relations. In this context, regions get much importance due to the uneven development in globalization. Something that is inherently appropriate for East-Asia and something that marks the most critical geopolitical reality of our time.

Narrowly defined, East-Asia refers to the countries of northeast Asia: Chinas, the two Koreas, and Japan. It is adding the United-States and the former Soviet Union/Russia, whose spheres of influence overlap in this part of the globe, provides a complete picture. As such, the region is indeed unique. It contains the world's most powerful state (the United-States); the most populous (China); arguably the most technologically advanced (Japan); potentially the most unstable (North Korea and to a lesser extent Russia); and probably the most economically promising (South Korea and Taiwan). No longer may the hegemon with a mighty stick; the United States has to relinquish its position. Although relegated



to the status of a second-rate power, Russia is reasserting itself based on its still sizable military presence. East-Asia is thus in a state of transition, unlike any other. The region is moving away from the twin pillars that have hitherto sustained it: the bipolar balance between the two superpowers and the “hegemonic stability” upheld by the United States (Woyach et al., 1996, pp. 341–42).

As East Asia is the main battleground for great powers, the other geographic points turn out to be more critical in the competition of strategic influence gains. The case is valid for West-Asia and Europe. Exerting a coercive authority in these regions is the key to increasing power and a possible way to become a hegemon in the coming world order. In Russian eyes, Europe’s failures undermined the very idea of the West. Russia understands the West decline principally as weakening of the United-States. The strength of the East is also as rising of China. No other country better exemplifies for Moscow the transformation of the international system.

China not only heralds a change in global leadership (even if this takes some decades for consummating) but also a different way of viewing and managing the world, one based on the existence of multiple centers of power and influence. Kremlin perceives China’s rise as an instrumental in shifting the center of global gravity from the Euro-Atlantic to the Asia-Pacific region. Beijing plays a pivotal role in efforts to develop more equitable international mechanisms, whereby the non-Western powers have enhanced roles. China’s emergence has also resulted in a security environment that is more complex and demanding. Finally, as Western-led conceptions of universal values give ground to competing models of development, China is at the vanguard of a global normative revolution (Lo, 2015, p. 72).

Besides China, to Russia and its people, the three regions of post-Soviet space—the European, Caucasus, and Central Asian—have great identity importance (Maness & Valeriano, 2015, p.142). Hegemonic stability theory, explaining Russia’s interacts with its former empire, argues that with the presence of a hegemon, the collective good of free trade and stability will flourish. The leader coerces its subordinates into compliance with its vision of security, and these subordinates comply because of power considerations (ibid, 2015, p. 124). Russia uses its gas power in a coercive manner in the regions that are important to Russia’s power identity. The Russian public supports Russia’s coercive energy policy. Albeit, this policy may be backfiring and rise pro-western sentiments (ibid, 2015, p. 109).

As such, NS2 is not a purely economic project, and Moscow’s real intention is to maintain its coercive energy power that allows exerting a more significant influence in Western Europe (Assenova, 2018, p. 11). By using NS2, for the first time, Gazprom would have direct, not obstructed access for the majority of Russian natural gas exports to profitable Western markets, thus ensuring Moscow’s lasting economic and political influence in Germany and the EU (ibid, 2018, p. 4).

The term ‘energy weapon’ denotes that an energy supplier state uses its resources as a political tool to either punish or coerce (or sometimes a combination of both) its customers (SmithStegen, 2011, p. 6511). The geopolitical effects of the Russian pipeline international network are apparent. Moscow already has a dominant position in the field, which will directly affect Chinese and American interdependence economies. Russia’s energy position is remarkable. It holds Eastern pipeline (Power of Siberia), the Western pipeline (Altai route), the global gas supply of Russia and Caspian countries, Russian pipelines to Europe, pipelines from Central Asia to China, pipelines from Russia to China, and pipelines to North Africa and Europe (Xunpeng, Variam, & Tao, 2017).

Therefore, in a broader context, NS2 influences the strategic balance between great powers in the international system. The resurgence of economic leverage, as the great powers’ preferred tool of statecraft, has thrust geo-economics back into the center of strategic studies (War, power, rules, 2020). Besides Russia, one can measure china’s efforts to have a coercive force in the energy and economic sectors. China’s Belt and Road Initiative (BRI) can influence global and regional energy dynamics, and an exploration of the security and strategic implications of BRI in the Indian Ocean, Southeast Asia, Central Asia (including Russia) and the Middle East, including an evaluation of nature and viability of the strategies of countries participating in BRI (War, power, rules, 2020).

Once Russian energy leverage stabilizes in Europe, Beijing, and Moscow alliance can dominate from East-Asia to Western Europe. China and Russia have a deep understanding of Central Asia. Moscow respects the countries which have a deal with Beijing. Europe is, however, a strategic goal for the two partners. Europe, especially Germany, needs two things in the 21st Century – 5G technologies and energy, Hardware, and natural gas. China and Russia can provide them, but at what price? (Germany’s risky business with Nord Stream 2 and Huawei, 2019).

Ukraine is a crucial player in the Russian and American geopolitical considerations. They use NS2 against Ukraine, which prevents the country from integrating with Europe or made it smaller economically (Fact Sheet on United-States Opposition to Nord Stream 2, 2019). NS2 is a geopolitical issue that intensified Trans-Atlantic relations, escalated trade war between the United-States and China, and reinforced the possibility of dragging NATO into the game (Keating, 2018).

There is a long list of instruments both sides use to counter their rivals. The United-States preferable weapon is economic coercion: sanction on INSTEX, snapback JCPOA, sanctions on Iran, cutting Russia off from SWIFT and the global financial system, adopt PEESCA on NS2, broaden export controls, weaponized the IMF on 5G, impose secondary sanctions on Chinese IP theft, target sanctions on senior officials, and force divestment (Hackenbroich, 2020). This American unilateralism in the international financial system encouraged other countries to seek different instruments outside the sphere of the dollar to trade and make financial transactions. In other ways, e.g., China and Russia let the American corporations invest in their projects that they never say no to them (Bandeira, 2019, pp. 323–25).

Therefore, the NS2 debates demonstrate limited parts of a war or a struggle of powers in the international system, which exists independently from the project itself. NS2 can affect the strategic balance of power and be a vital component in shaping the new world order. The NS2 realization is a useful variable in Changing geopolitical realities, the rivalry between the United-States, China, and Russia for forming the new world order, American fear or decline, determining the winner trade war, and some other trends and strategic issues.

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#### 4. Conclusions

The pipeline project, Nord Stream 2 (NS2), could be a vital factor in determining the strategic balance between great powers. This effect of NS2 would leave Ukraine in a vulnerable position and may intrigue further Russian aggression. Such cases could threaten European security as well. Nonetheless, Brussels' submission to Washington severely harms the economy of the European Union, particularly in Germany. It would be better that the EU takes matters into its own hands, as it did regarding the South Stream pipeline project by defending Ukraine in trilateral negotiations with Russia.

As such, Europe can gain its strategic autonomy and profitable economic contracts. Otherwise, Europe will

become a battleground for Russia and United-States and even China. A renew leadership of Paris and Berlin is preferable on the issue. Germany, as a great agent in the EU's destiny, should attempt to form a European consent and unity with eastern and central Europe to defend European strategic autonomy and stop being manipulated in Russian–American battle for power.

NS2 is not just a pipeline project. In case of realization, it would be an American gift to Russia, which Moscow and even China will use as leverage against the West. American fear of changing the world order due to the lack of self-confidence in the face of China has led to neglect strategic alliance with Europe. United-States estimates that the 'divide and rule' approach or contradictory stance about NS2 can save trans-Atlantic relations. Nevertheless, before being too late, the western alliance should satisfy each other and reunited again. NS2 debates are a victory for Russia and China, a symptom of American decline and a falling apart trans-Atlantic relations one, also in case of realization; it will be the very component of American decline.

To maintain its strategic autonomy, Europe must maintain its unity by creating convergence in the countries of Western and Eastern Europe. Then it should make decisions in its interests, even if it undermines the alliance with the United States. As one of the European Union leaders, Germany can pass opponents; however, it is better to have France and Brussel on its side. Furthermore, France should consider the project as a strategic tool in Europe's hands. The economic interest of the project is essential, additionally its strategic and geopolitical concerns. In this context, France may be better to manage relations with Germany and the United-States.

Iran, as a great player in the energy field, pays close attention to the issue of NS2. Furthermore, NS2 is a multidimensional project in Tehran's eye. First, the issue is vital for Iran, given its eastward-looking policy and Russia and China's view as allies. Second, during the international order transition, from Iran's point of view, the competition between the United States and China, and all its related components, one of which is NS2, are essential. Third, under crippling sanctions, Iran must resist US extraterritorial demands and maintain Europe's strategic independence. As a result, Iran wants Europe to pursue this project and make it a success seriously.



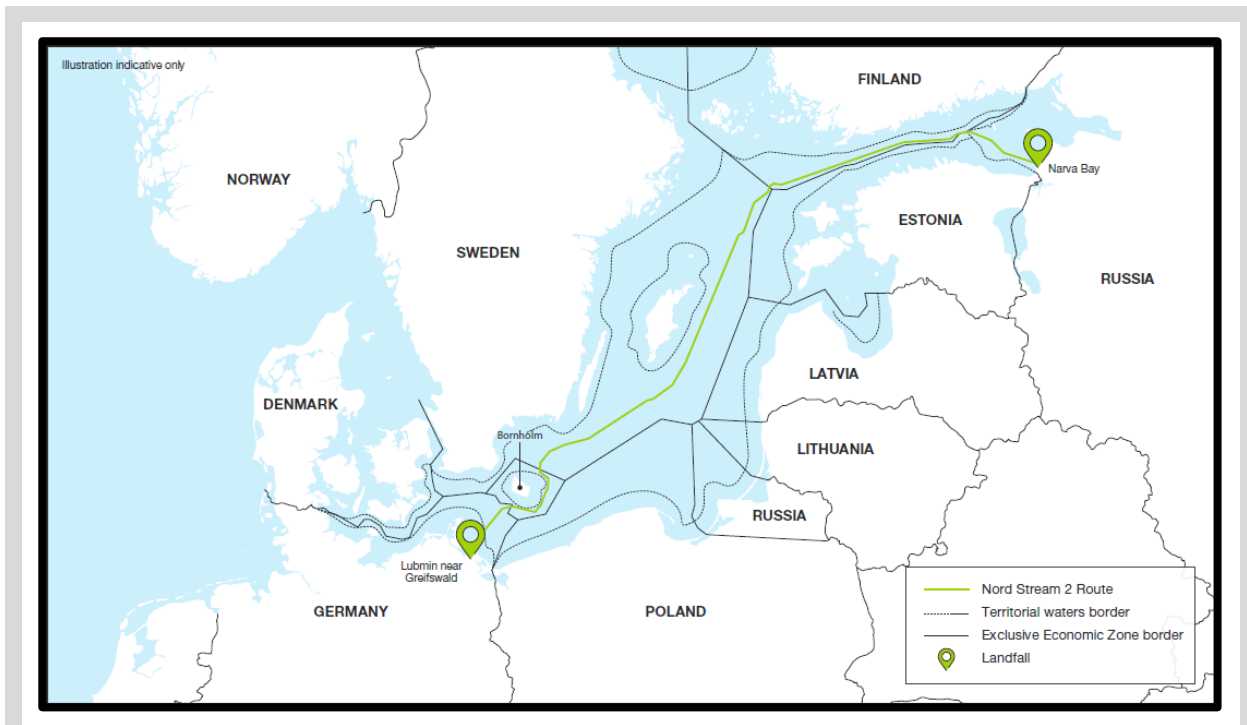


Figure 1. Nord stream 2 (Maps, 2019).

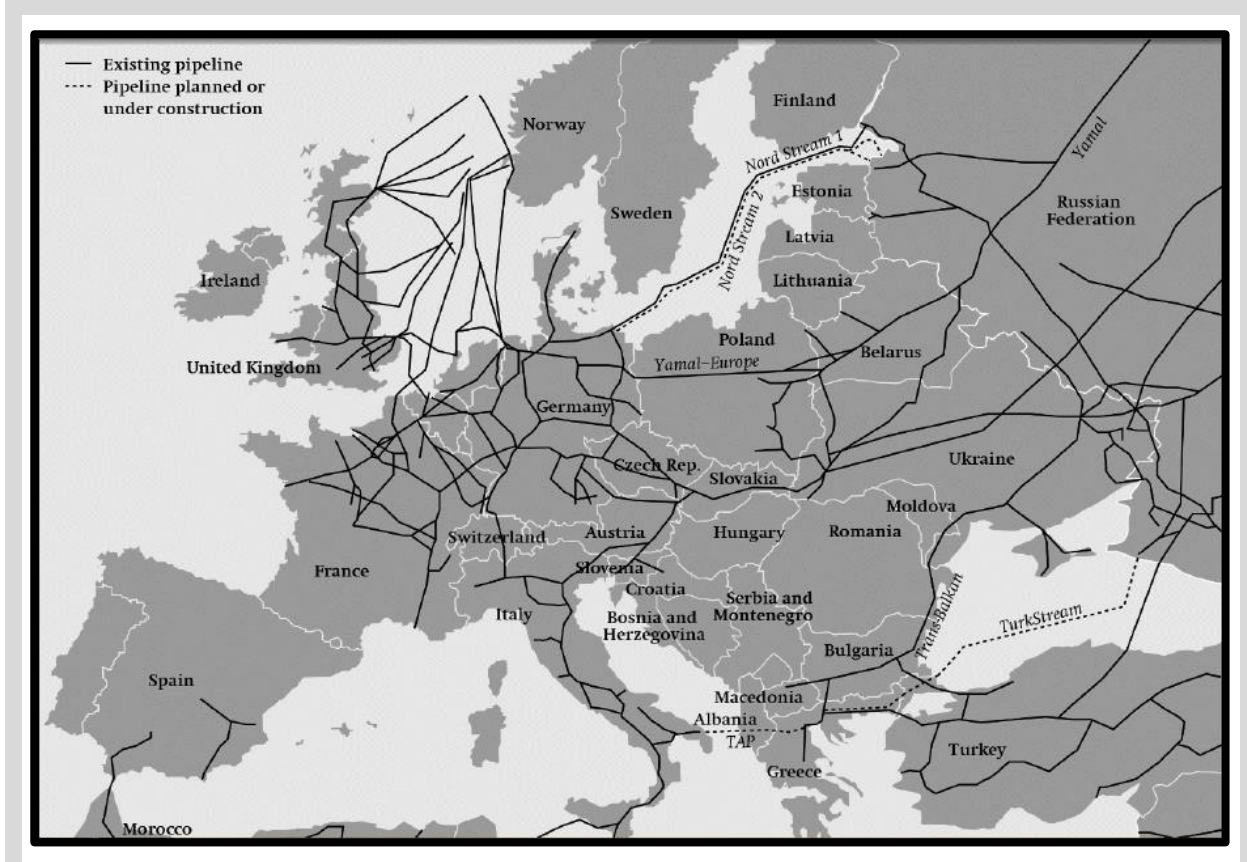


Figure 2. Major gas pipelines in Europe (Lang & Westphal, 2017).

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